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Analysis of operation of federal and state laws...

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U. S. TREASURY DEPARTMENT
INTERNAL REVENUE BUREAU
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ANALYSIS OF OPERATION OF FEDERAL AND STATE LAWS AFFECTING PROHIBITION

By

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GOVERNMENT PRINTING OFFICE
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FOREWORD

This analysis is furnished for the information and guidance of prohibition administrators, deputy administrators, enforcement agents, and the entire personnel of the Prohibition Unit, in order that they may more fully understand the history and the present policy of prohibition law enforcement. With this understanding they may be expected to represent the Federal Government more intelligently and more efficiently. The officers of our organization are expected to carry on this policy loyally, and to see to it that our whole force conducts itself in the spirit herein set forth.

L. C. ANDREWS,
Assistant Secretary of the Treasury.

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ANALYSIS OF OPERATION OF FEDERAL AND STATE LAWS AFFECTING PROHIBITION

Looking into our Federal Constitution, adopted to make our Government "a more perfect union," we find three pertinent facts of immediate interest to my subject: First, that Congress was given the power "to regulate commerce with foreign nations and among the several States;" second, that the police power—the power to legislate for the promotion of the safety, health, morals, and general welfare of the people—was reserved to the several States; and, third, that property rights were safeguarded by the "due-process" provision. The exercise of these two sovereign powers and the appeal to this constitutional safeguard had an early and continuing influence on the fortunes of the liquor question, marking the various historical steps, legislative and judicial, in the evolution of national prohibition.

Congress had laid imposts on liquors imported from a foreign country, and in 1827 the United States Supreme Court decided that the State could not interfere with such liquors until they had lost their "foreign commerce" character. Thus the commerce power of the Federal Government first appeared as a serious check on the exercise of the police power by the States.

In 1847 the question arose as to liquors in interstate commerce, and the Supreme Court held that in a matter of general interest a State could legislate in regard to interstate commerce until Congress stepped in to exercise its power in the same field. Thus the courts, in 1827, checked State control of international liquor, and in 1847 allowed State control great power in interstate liquor.

In 1887 the seesaw started back again, when the Supreme Court laid down the doctrine that while a State might, under its police power, prohibit the manufacture and sale of intoxicants within its borders, nevertheless, intoxicating liquor was a legitimate subject of interstate commerce, and that the State could not interfere with such commerce by prohibitive legislation; nor since sale is an essential part of commerce, could it prohibit its sale in the original package.

Close on this decision, in 1890, the Supreme Court renounced the previous doctrine that the States could legislate where Congress had failed to act. So we find the State denied the power to prohibit the introduction of liquor from other States, and to prevent its sale in the package in which introduced. Under these decisions, both foreign and interstate liquor marched joyfully where it would, immune from State police power while in original packages, and the most stringent State regulations were powerless to thwart it.

In addition to these disabilities, the "due-process" clause of the Constitution was proving a serious check on the State's power to regulate intrastate liquors. The view prevailed that, although a State could prohibit, under its police power, that which adversely affected the public health, morals, safety, or general welfare, the mere possession of liquors did not fall in this class, and consequently the police power could not be invoked to prohibit possession.

Of course, these constitutional barriers later fell one by one as the cohorts of prohibition advanced, until the Supreme Court in 1918 held it constitutional for a State, under its police power, to make the possession of whiskey for personal use a criminal offense. Later it went so far as to say that the fact that such a statute destroyed property rights lawfully acquired in the liquor before the law became effective, did not constitute a violation of the constitutional mandate against taking property without due process of law. But this came later, and it may be said in general that in 1890 the States could constitutionally prohibit only the manufacture and sale of intoxicating liquors. It is interesting to note that during these years the Federal Government took no steps looking to direct Federal control of liquors through the exercise of its interstate commerce power, as it did in the matters of oleomargarine, white slavery, Louisiana lottery, etc.

Thus we find the States, because of Federal inhibitions, unable to cope effectively with liquor, either domestic or imported; and we find Congress unwilling to deal with it independently from the States. But we also find an insistent and ever-growing sentiment throughout the country against the traffic in intoxicating liquors. Consequently the Federal legislative development was along the lines of Federal cooperation in assistance of the States that wished to be dry.

Owing to the immunity afforded the original packages of liquor brought into the dry States from outside, these States found themselves overrun with "original package shops," and had to seek Federal aid in order to combat them. Congress felt that its sovereign commerce power should not remain a means of defeating the dry policy of a State, and passed the Wilson Act in 1890, which removed from imported liquors their character of "interstate" or "foreign" goods, upon their "arrival" within the State. This was intended to allow the State to prevent the sale of the imported "original packages." But the Supreme Court largely destroyed the value of this act by construing arrival to mean "commercial" arrival—delivery to the consignee, not physical arrival within the borders. Delivery to the package shops for sale could be prevented, but delivery to a consignee for use could not. The shops were thus cleaned up, but any citizen could still receive all the liquor he chose to order. The State remained powerless to repress importation for personal consumption, and was deluged by liquors thus obtained.

Congress spent twenty-odd years suggesting remedies for the shortcomings of the Wilson Act. There seemed to be constitutional objections to all of them, and nothing was done until 1913. Meanwhile the States in desperation strengthened their laws as they could, and began to limit the amount of liquor that a man could possess.

In 1913 Congress passed the Webb-Kenyon Act, which removed the protection of the commerce clause from any liquor intended to be received, sold, or used in violation of the laws of the State to which it was sent; and subjected such liquors entirely to the control of the offended State. Both the Wilson Act and the Webb-Kenyon Act were attacked in the courts as unconstitutional, as attempts to delegate to the States a control of interstate commerce. President Taft, in his veto message, expressed doubt as to the constitutionality of the Webb-Kenyon Act. The Supreme Court sustained both acts. It declared that Congress was dealing with a commodity, the transportation of which it might prohibit entirely, and which the States, on the other hand, were powerless to prevent being brought within their borders. Instead of prohibiting the liquor traffic entirely Congress chose to take from it the protection of the commerce clause, and to leave it to be dealt with wholly by the communities whose problem it was. Thus in 1913 we find the Federal Government, judicial and legislative, positively in cooperation with the States, stepping out of the way and allowing the States to control both domestic and interstate liquors within their own borders.

From 1913 to 1918 events moved fast. In the end Congress abandoned its policy of assisting the States, and turned to that direct Federal control which it had theretofore eschewed. The desire for nation-wide prohibition had grown from an idealistic sigh to a positive demand. In 1913 the Anti-Saloon League launched its organized campaign for national prohibition. Between the years of 1914 and 1918, 23 States sounded out the sentiment of their people by the referendum. At the time prohibition became effective 33 States were dry. A resolution calling for a prohibition amendment to the Constitution was introduced into both Houses in 1913 and failed to pass in 1914. Similar resolutions were introduced in 1915, but were not brought to a vote in either House.

But before this same Congress Senator Jones propounded his view that the States needed still further Federal assistance. Believing that the States were still powerless to combat "solicitations of orders for liquors" coming through the United States mails, he proposed an amendment to a post-office measure penalizing the mailing of solicitations into a State which had prohibited them. He was still working on the theory of congressional cooperation with the States.

In discussing the Jones amendment, Senator Reed pointed out the inconsistency of fixing penalties for the mailing of solicitations into a State which forbade solicitations, while tolerating the shipping of the liquor itself into a State which forbade liquor. So the Senate in 1917 passed the Jones amendment and at the same time passed Senator Reed's amendment—the Reed bone-dry law—making it a Federal offense "to order, purchase, or cause intoxicating liquor to be transported into any State that prohibited the manufacture and sale thereof." Thus we see a complete about face on the part of Congress; and we see in Senator Reed of Missouri the father of the first national prohibition liquor law. It is also interesting to note that this law was passed by a Congress which had chosen not to bring to a vote a proposition for national prohibition.

The Reed law made the dry State bone dry whether the State liked it or not. In fact, it was suggested in debate on the Reed law that it was proposed in order so to vex a dry State with its dry law that other States would hesitate to go dry. It did in fact make one State dryer than it intended to be. West Virginia prohibited the manufacture and sale of liquor, but permitted a parched citizen to bring into the State a quart of liquor every 30 days for his personal use. One fellow was caught while doing this and tried in the Federal court under the Reed law. The Supreme Court held in 1919 that he was guilty of a Federal offense, that the Reed law was constitutional, and that any oasis in a State law that conflicted with it was invalid. West Virginia was suddenly bone dry by Federal command. The only way she could allow her citizens to bring in their quart was to repeal her prohibition against the manufacture and sale of liquor, and it has been hinted that the liquor interests liked the Reed law for just this reason.

The Sixty-fourth Congress had declined national prohibition and passed the Reed amendment. The Sixty-fifth Congress passed the national prohibition resolution. It was adopted by the Senate on August 1, 1917, without the provision for a concurrent power of enforcement in both the Congress and the States. Congress alone was given the power to enforce the proposed amendment by appropriate legislation. Dropping all consideration of State police power, the Senate went to the extreme of absolute Federal responsibility

and control through the exercise of a thus newly acquired Federal police power, to be exercised throughout the States and communities of the land. This easily accepted conception of employing a highly centralized governmental police power, and this seeming disregard for our long-cherished doctrine of State rights, would appear to be marked evidence of a war-time state of mind on the part of the Senate when acting upon this resolution.

The debate on the resolution is interesting. The opponents of the resolution were against taking from the States their control of their local affairs and giving it to Congress. They felt that Federal cooperation had made it possible for any State to be as dry as it wanted to be, and that the minority of the States should not be forced to go dry because of the social views of the majority. The proponents of the resolution maintained that Federal cooperation had proved ineffective in aiding the dry States to become dry. Wet neighbors were too damaging an influence, even with full State and Federal cooperation. They maintained that since a dry State could not establish complete prohibition as a State, it had a right to urge national prohibition; not primarily to stuff its views down the throat of a wet State, but for its own protection. They pointed out that while it might be a questionable policy for 36 States to impose their social standards upon 12 States, it was true that otherwise the 36 States could not protect themselves against the 12 States.

The House amended the resolution to read as the amendment now does—Congress and the several States being given concurrent power to enforce the amendment by appropriate legislation. It was stated by members of the Judiciary Committee instrumental in inserting this concurrent phrase—notably Mr. Webb and Mr. Volstead—that this phrase had been put in to make it plain that there was reserved to the States their power to enforce their prohibition laws; and that the granting of a like power to Congress should not have the effect of granting all such power exclusively to Congress. There was surprisingly little debate in the House as to the meaning of "concurrent" in the resolution. Both Houses seemed more interested in the giving of a new power to Congress than in the reserving of its old power to the States. They argued the question chiefly on principle, and did not pay much attention to the problem of how Federal and State control of liquors would work out in practice under the concurrent clause.

Reading the record, it is my opinion that Congress as a whole had little conception of the practical difficulties of the enforcement of the amendment. The concurrent clause was inserted more as a concession to the psychology of the States than with the purpose of requiring the States to function in those fields of enforcement where

the State police power rather than the Federal mandate would be not only more effective, but more consonant with our form of Government.

The language of section 2 of the eighteenth amendment is: "The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation." What does it mean? The Supreme Court says that it does not mean "joint" power. The view that concurrent means that the power to enact appropriate enforceing legislation is in each—the State and the Federal—but that the legislation of Congress as the supreme law of the land supersedes any inconsistent State legislation has received some support from the courts. Support has also been given the view that the power is equally in each—the State and the Federal—neither having any overriding force as to the other because each is effective in its own jurisdiction, and the validity of each is to be tested only by the touchstone of appropriateness to the enforcement of the eighteenth amendment. On one point, however, courts are uniform with one or two exceptions—the eighteenth amendment is not the source of the State's power to legislate with regard to intoxicating liquors, but the source of such power is still its police power, which inheres in it as a sovereignty. The eighteenth amendment reserved to the State its police power over this question; it did not give it such power.

The effect of the eighteenth amendment was to reserve to the States this police power in its entirety, with the one limitation that the States were put under a legal disability to permit what the eighteenth amendment prohibited. It even enlarges the States' power beyond the limits of its other police powers, since on other questions State laws are subject to constitutional inhibitions as regards "due process," interstate commerce, etc. In addition, the eighteenth amendment by its terms gave to the States an authority concurrent with Congress over the importation and exportation of intoxicating liquors; and over liquors in interstate commerce, by the rule of constitutional construction which renders paramount an amendment subsequent in time to a prior constitutional provision which conflicts with it. The State gained much and lost only the privilege and power to permit the manufacture, sale, and transportation of intoxicating beverages. Congress acquired the police power, the several States retained theirs. The former policy of assisting the States by removing constitutional barriers to the operation of their police powers was superseded by a plan for active cooperation in which each party has equal responsibility and power. This was a novel scheme in our Government, ready to meet the test of experience.

Let us see how the congressional plan worked, and is working. All the States except Maryland fell in line, and where necessary enacted appropriate legislation. The stage was auspiciously set for splendid action. But an unexpected psychology resulted in the withdrawal of most of the old skilled actors of this great drama, and left the stage largely to amateurs and a few monologists. We find cooperation on the statute books, but not carried out into the life of the community. A very curious picture. Here we have 47 of our 48 States with State prohibition laws and the machinery to make them sting. We have the Federal Government with a prohibition law. Now, the Federal Government is a new actor on this stage—a new prima donna. The States are old troupers in enforcing all police-power regulations, including this one, and they know the twists and turns. They get a hand from their audience—a helping as well as an applauding hand. They are the local stock company, so to speak, known to the folks. The new prima donna has not appeared on this stage before, having been only a supernumerary. When the curtain goes up, the company stays in the dressing rooms, make-up on, rôles perfected, and expects the new prima donna to play all rôles, including that of the villain. A very curious reaction, this attitude of the people, after they got national prohibition.

The great forces of social reform that had worked so successfully for temperance along educational lines, instead of grasping this opportunity for a steady forceful advance to overwhelming success, apparently felt that their battle was already won, and ceased their organized efforts. The forces that had been so efficiently organized and led to accomplish these ends through political activities, now centered their energies upon the enforcement of the national law through Federal agencies. State, county, and municipal law officers tended to overlook their own civic responsibilities under their community laws, and to pass the responsibility for prohibition law enforcement to the Federal law and its agents. The citizens of the country generally, thoughtlessly, and thus inconsistently with their inherent conceptions of the functions of Government, tacitly and perhaps unconsciously relieved their own civic officers from their responsibilities, and looked to the national law in Federal hands for the enforcement of prohibition. Everybody looked to Washington, and placed the responsibility for law enforcement upon the Federal Government—and, unfortunately for the law's success, the Federal Government was accepting this responsibility.

When I took office last year I found the Prohibition Unit organized and functioning on this basis. Highly centralized in control and responsibility, its field forces organized without due regard to their

essential correlation with the field forces of the Department of Justice, prohibition agents throughout the United States were being called upon everywhere to exercise the Federal police power in local police affairs. And these agents were accepting the responsibility and arresting these petty law violators. In many jurisdictions this resulted in overwhelming the offices of the district attorneys and clogging the Federal judicial machinery with thousands of petty police cases, not infrequently to the disgust of the Federal bench and the discouragement of the district attorney. More important even than this moral effect was the consequent demoralization of all the business of the court. Already crowded with business resulting from the ever increasing number of Federal laws to be enforced, that promptness and certainty of trial and punishment so essential to successful law enforcement became an impossibility, and this was being reflected in a growing disrespect for law on the part of all law violators.

Perhaps the most interesting phase of this development, and the most potent in its unfortunate effect upon the success of the national prohibition law was the fact that while the citizens generally accepted the idea that the Federal Government should be responsible for the enforcement of the law, many of them nevertheless inherently resented this exercise of police power on the part of the Federal agents within their own communities as affecting their own individual privileges. This can be explained as thoughtlessness. Or perhaps it was the working of guilty consciences for neglecting their own responsibilities as citizens of self-governing communities who must necessarily make and enforce their own regulations for community welfare. Be it, however, thoughtlessness, guilty conscience, or outraged conception of democratic government, the reaction was personal resentment, manifested far too often by law-abiding citizens, both men and women, in willful violations of the prohibition law. And this manifestation, peculiar as it may seem, evidenced itself even in previously dry States, as well as in those that had never previously accepted State prohibition.

The demand for beverage liquor was insistent and apparently quite indifferent to cost. Money and brains were quickly forthcoming to organize an illicit traffic in liquor to supply this demand wherever it prevailed, and, keeping step with modern economics, this supply then created further demand to keep it moving, and thus a new form of liquor business grew and throve. Definitely an outlaw business, its success was necessarily conditioned to a great extent upon the bribery of officials charged with keeping law and order, so wherever its activities reached it left a slimy trail of crime and corruption in its wake.

In the large cities the criminal classes turned from their precarious livelihood of safe cracking, loft robberies, etc., to this much more lucrative and far less dangerous profession of bootlegging. Innumerable citizens, under the present prevailing urge for easy money, turned from lawful pursuits to engage in this lucrative business. It is even reported that farmers in certain localities are now measuring their corn crops in gallons rather than in bushels. Meantime the criminal's traditional fear of offending the Federal authorities was rapidly turned by experience in the slowness and uncertainty of punishment to a contempt for this same Federal authority. It is this condition that we have been and are now trying to correct in our effort to "restore respect for Federal law."

Faced with this problem of law enforcement, and with these conditions, we had to answer these questions: "What have we got to do?" "What have we got to do it with?" "How shall we do it?" In determining upon our policy, organization, and procedure, two fundamental considerations were governing. First, a realization of the fact that any law to be effective must be in reality an expression of a standard of living generally accepted by the members of the community affected, which means that this standard is already observed by the great majority of the community, and written into a law only that it may be enforced upon the recalcitrant few by the police and court officers of the community. Applying this consideration to our problem, it required that the agencies of social reform be induced to take up again the task of education, so that the numbers who observe the prohibition laws may be materially increased, and the numbers who must be prosecuted as violators may be materially decreased. Expressed differently, this consideration meant that the prohibition laws must be popularized—both the laws and their administration must meet with more popular approval.

The second consideration was that the responsibility for the enforcement of the prohibition laws must be shared by Federal and local authorities, and this responsibility must be shared on clearly defined lines, so that each may have a definite objective, upon which it may concentrate its energies with a fair hope of success. Looking back into the years of struggle toward the accomplishment of prohibition; realizing how, until the Reed amendment in 1917, the whole conduct of National Government, both legislative and judicial, had been to show a marked sympathy with the efforts of the States to regulate the use of liquor, and to cooperate with them in a helpful way; and looking at the present anomalous and directly contrary situation in which the States now lay almost supine while the whole Nation looked to the Federal Government for the success of prohibition; and realizing the inherent wrongness and unquestionable thoughtlessness of this latter attitude, it seemed the only and the

natural solution that the Federal Government should undertake as its share to suppress the commercialized traffic in liquor, and thus prevent its introduction into the various communities of the country in commercial quantities, and that the States and communities should undertake, as their share, to suppress local violations, with Federal assistance, where necessary. This policy was adopted and approved by the administration. The Federal forces are more and more concentrating their efforts upon this main objective, as the civic consciousness of the communities is again aroused to their responsibilities for self-government and Federal agents thus relieved from demands upon them for the exercise of local police power.

To me this division of responsibility seems so natural and so absolutely essential as not to require argument. It is in keeping with the growing appreciation on the part of thoughtful citizens that modern tendencies toward highly centralized authority and responsibility in Washington may lead to dangerous extremes. Consider for a moment the alternative—the Federal Government accepting the full responsibility for enforcing the national law in all the communities of the land. No one knows how many policemen would be necessary and how many Federal police courts would be required; but the numbers certainly would be tremendous and the political and social effects of their daily contact with the intimate affairs of the citizens of the communities might easily be most disastrous to democratic institutions. In fact, such a superimposed Federal police power is, to my mind, absolutely unthinkable in America and bad enough in Russia. Such a solution is predicated upon so false a conception of our Government as to offend the very fundamentals of our institutions, and I believe it could never be accepted by a thoughtful public. When his consciousness is stirred the American citizen is still proud of his claim to the rights of self-government. This was happily illustrated last winter in the nation-wide protest against the Executive order permitting the appointment of county police officers as Federal agents. It was considered an invasion of the citizens' sacred right to manage his own affairs through his own civil officials. It appears that this sense of civic responsibility and pride in its employment still exists and has only to be aroused, when the communities of the land will again accept their responsibilities for law enforcement and see that they are faithfully carried out.

We have, therefore, steadily gone ahead in the execution of this policy. The organized forces for reform have again taken up their burden and are on campaign throughout the country in an effort to arouse the States and communities to a realization of the part they have to play and the necessity of their playing it vigorously and promptly.

Meantime the Federal agencies have been reorganized on a plan of decentralization, the Federal judicial district having been used as the unit in order that an intimate and active teamwork may be established throughout all the field forces of the Department of Justice and of the Treasury Department. Our representatives have been instructed to share with the district attorneys the making of such cases against law violators as can be promptly and effectively prosecuted with the greatest effect for the common cause of law enforcement. The main objective of our energies is clearly defined to be the commercialized liquor traffic in all its manifestations. Our field forces are organized and our regulations made with the definite object of wiping out this traffic. The instructions to our field forces are to concentrate their efforts along specified lines looking to this end. Much energy, however, is dissipated by the continuing necessity of doing more or less local police work, until the communities relieve us of this task. And I foresee that there will always be the need of rendering more or less assistance to State, county, and municipal officers where local conditions are so unsatisfactory as to demand it.

It has taken time to effect the necessary organization and lay the necessary legal groundwork for the accomplishment of this Federal function, but real progress is now being made. In practical language, we have undertaken the elimination of the sources of supply for the organized liquor traffic, and the prosecution of the men who have organized and are conducting this traffic. These sources of supply are: Smuggling, the diversion of industrial alcohol, the illegal manufacture of real beer in old-time breweries, the diversion of medicinal spirits, the diversion of sacramental wines, and illicit manufacture in wildcat distilleries and breweries.

Thanks to our executive agreement with the British Government, and to the negotiation of treaties with our immediate neighbors, marked progress has already been made against smuggling, and we are now confidently looking forward to the day when the smuggling of liquor in quantity will be completely done away.

Thanks to the special appropriation of funds by Congress in June of this year, we have been able to organize special forces which are engaged in cleaning up the industrial alcohol field, steadily eliminating, one by one, the permittees who have engaged in illegitimately diverting alcohol to beverage uses. Great progress has been made already, and it is but a matter of time when all these permits will have been revoked, and this source of supply of alcohol eliminated.

Similarly for the supply of real beer, the same appropriation made possible the organization of a special force for this work, and with the aid of additional legislation requiring permits for manufacture of cereal beverages, we believe that this source of supply will be gone next season.

While much has been done by regulation to reduce the diversion of medicinal spirits, the existing law which authorizes the owners of spirits to sell in an open competitive market to wholesale and retail druggists, and to other permittees, has proven an insurmountable obstacle to complete control, and Congress will be asked at this session to pass remedial legislation which will make the control of medicinal spirits absolute.

Great difficulty was found in the issuance of sacramental wine, particularly to the Jewish faith, where lack of church organization and discipline made control almost impossible. This was a prolific source of supply. But a solution was finally arrived at, and the amounts of wine now issued for sacramental purposes are reduced to such an extent that diversion to illicit traffic has become negligible.

There remains as a source of supply illicit manufacture in wildcat distilleries and breweries. As the other sources have been more and more controlled, the liquor traffic has turned more and more to this final source. Illicit distilling, whose product is known as "moonshine," has always been practiced in a small way; but this practice has developed under the prohibition law, and become more or less nation-wide. When used as a source of supply in quantities sufficient to justify an organized traffic, this must remain the objective of the Federal forces, and will require special organization and close attention for its elimination. But where quantities are small, and for local use and distribution only, these violators must be definitely the objective of local law enforcement agencies. We are approaching here the phase of law violation where the individual citizen manufactures intoxicating beverages within his home for his own use. It is clear that this should never be the object of Federal control. Under our present conception of the functioning of democratic government, this is clearly for the communities themselves as a matter affecting most intimately their community standards of living and ideals of social government and welfare.

I must call your attention to one other phase of the Government's function under the national prohibition act. We have to administer this law through our permit system wherever it touches business and professions which use alcohol or spirits in their legitimate undertakings. Alcohol plays a vital part in many important industries, and it is Government's function to encourage legitimate industry. We have literally thousands of permittees more or less dependent upon the functioning of our Federal officers for the success of their business. Going back to the first of our two fundamental considerations determining policy and procedure, and regarding the consideration that the law must have popular approval in order that it may be successful, it is a definite part of our policy that we shall administer

the law in a liberal, prompt, and courteous manner, thus commending it to popular approval. Determined efforts are being made to bring our personnel to a high standard of character and personal conduct in office. All are enjoined to a scrupulous observance of law in both personal and official conduct. They are to be an object lesson in law observance and in respect for law. Wherever our functions touch legitimate business, our officers are enjoined by promptness of action and fairness of judgment to make legitimate business feel that Government is working with them for their success. In determining questions of general policy at headquarters, we are trying to impress the general public with the fairness and liberality of our judgments to the end that existing resentments may be softened, and a better appreciation may be had of the law and its social and economic effects.

To sum up, the Federal administration is assuming that the peoples of these United States intend to carry on faithfully under their present form of government, and will willingly reassume their duties and responsibilities as citizens under self-government; and the administration is therefore actively working toward the day when the Federal Prohibition Unit will be a dignified, efficient organization, engaged in the administration of the permissive features of the law, to the satisfaction of the business public concerned, and in the execution of the enforcement features of the law by such close surveillance of the possible sources of supply and avenues of traffic as will prevent the movement of liquor in commercial quantities into any local jurisdiction; and engaged through cooperation in helping State, county, and municipal authorities to make possible the success of their own expressed determination to live as social communities free from the presence of that traffic in liquor which they have denounced as a crime in their social existence. We can and will do our part. The people can do theirs.

OCTOBER 29, 1926.

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